from 0.8 per cent in 2003 to 1 per cent in 2006. The low share is primarily on account of constraints like infrastructural bottlenecks, high transaction costs and inadequate emphasis on product quality, brand image, delivery and after-sales services.

(c) Export promotion is an ongoing endeavour of the Government and initiatives are taken from time to time in accordance with the Foreign Trade Policy and its Annual Supplements. These initiatives include bringing into force the SEZ Act, 2005 with effect from 10-2-2006, giving a major thrust to procedural simplification for reducing the transaction cost of exporters. Other initiatives include Focus Product Scheme, Focus Market Scheme, Vishesh Krishi and Gram Udyog Yojana, Duty Entitlement Passbook Scheme, Export Promotion Capital Goods Scheme etc.

Extent of FDI in retail

865. SHRI MATILAL SARKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the extent to which the FDI has made entry into the retail sector in India;

(b) the number of organised establishments and the number of unorganised establishments in the retail markets of the country;

(c) the steps that Government propose to take to safeguard the position of the unorganised establishments providing employment to crores of people; and

(d) the steps that Government propose to take to safeguard the interests of the domestic retailers from the hands of the giant foreign retailers?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) No Foreign Direct Investment (FDI) is permissible in retail sector. Government has however, allowed FDI up to 51%, with prior Government approval, in retail trade of 'Single Brand' products with the following conditions:

(i) FDI up to 51% would be allowed, with prior Government approval, for retail trade of single Brand Products;

(ii) Products to be sold should be of a 'Single Brand' only;

(iii) Products should be sold under the same brand internationally;

(iv) 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

Till August 2007, 18 applications involving an investment of US$ 3.31 million have been approved.

(b) Government does not maintain any centralised information on the number of organised and unorganised establishments in the retail sector.

(c) and (d) The present policy allows FDI only in Single Brand Retail Trade. Products sold under Single Brand Retail with FDI cater to the brand-conscious, young, middle class clientele having a different niche as compared to that served by the small traders. Hence, FDI in retail trade of single brand products is not expected to affect the existing small traders.